

CRANSTON SCHOOL COMMITTEE MEETING

JANUARY 30, 2014

WESTERN HILLS MIDDLE SCHOOL

400 PHENIX AVENUE, CRANSTON, RI 02920

EXECUTIVE SESSION: 6:00 P.M.

IMMEDIATELY FOLLOWING - PUBLIC SESSION

IMMEDIATELY FOLLOWED BY PUBLIC BUDGET WORK SESSION

MINUTES

This School Committee meeting was held on the evening of the above date in the auditorium of Western Hills Middle School with the following members present: Chairperson Iannazzi, Mrs. McFarland, Mr. Traficante, Mr. Gale, Mrs. Culhane and Mrs. Ruggieri. Mr. Colford was absent. Attorney Cascione was present for executive session.

This meeting was called to order at 6:00p.m. It was moved by Mr. Gale and seconded by Mrs. McFarland to convene to Executive Session pursuant to RI State Laws -

1. PL 42-46-5(a)(1) Personnel

2. PL 42-46-5(a)(2) Collective Bargaining:

A. Contract Negotiations' Update(s)=

B. (Secretaries)

C. (Teachers)

D. (Teacher Assistants)

E. (Bus Drivers, Mechanics)

F. (Tradespeople)

G. (Custodians)

3. PL 42-46-5(3)

A. District Safety Plan

B.

Called to Order at 7:00 p.m. – Public Session

The roll was called; there was a quorum present; no votes were taken in executive session.

Executive Session Minutes Sealed – January 30, 2014. Moved by Mrs. Culhane; seconded by Mr. Gale. The roll was called; all were in favor.

Public Budget Work Session

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Public Hearing on Proposed Budget for 2014-2015

Speaker:

Annette Bourne spoke about the budget

Ms. Iannazzi asked if there were any school committee members who wanted to discuss the budget.

Mrs. Ruggieri stated – I wanted clarification regarding the special education charter school tuition because I just want to make sure I am understanding it correctly. If I am understanding what I heard the other night and what I read; if a student is sent to our charter school and requires special education services we are no longer allowed to get reimbursed for those services?

Mr. Balducci replied – the clarification has to do with an out of district student; not one of our students. So if a student from Johnston attends our charter school, in the past, my office in conjunction with the charter school was able to bill not only charter school tuition but above and beyond that a piece related to their special ed services. RIDE has determined that is no longer allowable by our charter school so beginning this fiscal year we no longer bill the out of district students special ed piece. Again, we will continue that practice next year as well.

Mrs. Ruggieri stated – so we are providing these services for a student who is coming to our district, we are not allowed to get reimbursed for those services from anyone.

Mr. Balducci replied – that is correct.

Mrs. Ruggieri asked – is this true of any students sent to any charter school including our own students? Out of district?

Mr. Balducci stated – a couple of years back there was a law that was passed by the General Assembly that identified the Career and Tech, Charter School, could actually bill for special ed services. We were of the opinion that our charter school met that designation and that is

the reason why we continued billing for special ed services. Again, a few years later, RIDE has determined that no longer was allowable so I don't believe the other charter schools can do that as well. We felt that we met that definition a few years ago and that is the reason why we did it on our own.

Mrs. Ruggieri – so what is the definition that would allow a charter school to actually....

Ms. Iannazzi asked – just to follow up – has anything in law regulations or contract changed from when RIDE had the interpretation two or three years and we were billing appropriately to today?

Mr. Balducci – not that I am aware of. I think what's happening is some of the sending districts challenged the billing system out of my office and then sought guidance from RIDE. RIDE's response was that no, they should not be paying for that and so there was push back but officially Andrea to answer your question, no, it's just based on conversations that other districts are having with RIDE. And, being conservative in nature I took the approach, I decided not to budget for it given that again, there is a possibility of us losing that battle so it could be an \$80,000-\$100,000 shortfall.

Mr. Traficante asked- Joe why don't you explain what going on with West Warwick.

Mr. Balducci stated- West Warwick is taking the position that they felt they were overbilled in prior years so currently they owe our charter school about \$33,000 in current year tuition. They have not paid a single dime of that because again they are trying to work out a deal

because they are of the opinion they have overpaid in prior years so let's call it even. We are continuing to have that conversation with West Warwick.

Mrs. Ruggieri – so we provided services for the students of West Warwick who are attending our charter school, services were needed in order to give them an education in the least restrictive environment and we are the LEA so we are required to do all these things. They needed the services; we provided these services; they don't believe they should be paying for those services?

Mr. Balducci – correct. Based on the guidance they received from RIDE.

Ms. Iannazzi stated – and their opinion changed before or after we opposed their plans to expand mayoral academies in Cranston?

Mr. Votto stated – if I may, I think the reason...when you say nothing did change but what RIDE did was interpret the fact that the charter school is not a career and tech charter school. If they had deemed it was a career and tech charter school they would be reimbursed. They made that decision and I think that is why we lost the reimbursement. It's the way they interpreted the definition of a charter school.

Ms. Iannazzi asked – but when was that change made is my question. Specifically, if they previously allowed us to have that designation and subsequently changed it, when was that change in designation?

Mr. Votto stated – about a year ago.

Mrs. Ruggieri continued – what happened to our students that were sent to out of district placement at other charter schools and they required special ed services?

Mr. Balducci replied – again, I am only billed based on RIDE’s calculation of what Cranston’s obligation is to an out of district charter school. I do not get a separate bill above or beyond special ed services if a Cranston student does in fact need services; they did not bill me for those services so I don’t know the finances of another charter school but I would believe those services would be part of their operating budget.

Mr. Traficante stated – so the committee will know when we were told that we would no longer be considered a charter school with a designation of being a vocational program that we have spoken to several of our legislators so we are working that angle at the present time and hopefully we will have some success there. The commissioner basically put her foot down and said that we will not charge for special ed and we will not refuse any particular student that has an IEP identification.

Ms. Iannazzi asked – is Davies considered a technical school?

Mr. Balducci stated – Davies is a state school and I believe different than a charter.

Ms. Iannazzi stated – so a construction academy doesn’t qualify as a vocational school under Commissioner Gist’s ruling. That’s good to know.

Mrs. Culhane asked – if I could just ask the administrators – what is the rationale behind this? I don’t want to perseverate on the issue but there is a potential of going either way. If we were to send a child out of district to a charter school or a child would come here that we could really incur some significant expenses that now any other child

we would be reimbursed for but we're not going to be so I am a little confused as to what the rationale behind that is.

Mrs. Simpson replied – I cannot explain why. I don't know why. We don't get any reimbursement; it costs us a lot of money and there is no way we can even ask the question if they were on an IEP. Sometimes it takes us a while to find out they are on an IEP. The charter school cannot ask if they have an IEP; maybe once they are enrolled they are able to.

Mrs. Culhane asked – but wouldn't we do that with a child coming from another district?

Mrs. Simpson replied – public school we have to. Charter schools have different laws.

Mrs. Culhane stated – I think we need to get clarification. We can bill for Medicaid for those charter students but we can't get reimbursed from the sending district for the special ed services.

Dr. Lundsten stated – last year this question came up and Mrs. Coogan and I approached RIDE. We went to RIDE and had a meeting with David Sienko who is one of their special education experts and he told us we absolutely, at the charter school, when we do a registration we cannot ask if they have any special needs. We have to accept every child who comes our way unless the charter school is completely full and then we can go to a lottery type system. Once they are enrolled, then we can inquire but they are already enrolled at that point. Because if not, it would look like we were discriminating.

Mrs. Culhane stated – I'm okay with not knowing ahead of time. Every child should have an equal opportunity regardless of whether or not

they have an IEP so long as once they are finally enrolled we can ask that question otherwise we are doing a tremendous disservice.

Dr. Lundsten stated- I totally agree with you because we don't want a youngster to fall through in a gap.

Mr. Gale stated – on the legislation process that Mr. Traficante talked about, is there any other appeals that we can do with RIDE or did they say that was final?

Mr. Balducci – in conversation we have had with our legal staff we are thinking about sending a letter to Mr. Abbott, their lead counsel and deputy commissioner, to see if we can actually get something in writing, affirmative or not, so at least we would have something to go by if we are to pursue other avenues.

Mrs. Ruggieri asked – I would ask if you would do that. We need to address that issue.

Ms. Iannazzi stated- I just want to say it is frustrating from this perspective and it's a sad state of affairs that every time there is an issue with RIDE, this school committee and this administration has to go to our legislators to have a productive conversation with them. It is incredibly frustrating.

Mrs. Ruggieri asked- just at the charter school – what percentage of students do we have currently that are out of district? And of those students who are placed from out of district, how many of them are currently receiving services? Insofar as our regular Medicaid reimbursements, I am just wondering where we are being on target with those?

Mr. Balducci stated – again, the current year we actually...actually last year we pegged it at approximately \$800,000 for the service related Medicaid reimbursement. I believe at the end of the year we came in about \$850,000. I decided to level fund it for this year at \$800,000 and continue to do that into next year. We have been meeting with our outside billing agency and seem to be on target so far so I don't see any issue.

Mrs. Ruggieri asked – how much are we being charged per student for the mayoral academy for RIDE?

Mr. Balducci stated – considering that it is a charter school, this year I believe Cranston is charged approximately \$7,400 and again I billed into that about a 5% increase not knowing what the tuition is going to be for next year so I believe it should be around \$7,800 to \$8,000. But that is no different than any other charter school that we would send a Cranston student.

Ms. Iannazzi stated – but surely those kindergarten students must be phased in over five years.

Ms. Ruggieri stated – that was kind of my point because that is a little over the 50% mark of the fair funding formula and considering that is a new program and they are supposed to be phasing it in, I was just kind of wondering because we were only going to be receiving approximately \$70,000 for four classrooms that number should have kind of met for our 100 students that would have been going into that all day kindergarten should have been around....

Ms. Iannazzi stated – didn't RIDE tell us they treat all schools equally?

Mr. Traficante stated- Joe, I am sure there is an explanation for it, but the numbers speak for themselves. Over the past six years, why have we been losing hundreds of thousands of dollars at the vocational school? What happened this past year in particular, we lost \$300,000? And why did it happen?

Mr. Balducci stated – several years ago all career and technical schools used the same tuition formula to create both a regular ed tuition and a special ed tuition. That practice went away so each district was left on their own to calculate what they believe was a regular career and tech tuition and a special ed tuition. Cranston created a model and has been using it for several years. RIDE surveyed 8-9 career and techs throughout the state and each was doing it differently. About a year and a half ago RIDE took on the task of creating what they believed was a state model that all career and tech schools should follow. I was contacted last year asking if Cranston was using that model. I indicated we were not. I received that phone call in April; given that we were two months away from completing the fiscal year I told them I was not in the position to change anything but I would implement that new model going into this year. By so doing it created an approximately \$300,000 shortfall in the revenue stream coming into Cranston.

Mr. Traficante asked – the district that we formally had; has it changed?

Mr. Balducci stated – the numbers do fluctuate from year to year but I don't believe that was the major cause of shift in revenue. It was the

formula itself.

Ms. Iannazzi stated – again a formula implemented by RIDE. Mr. Balducci replied – yes.

Mrs. Ruggieri stated – so I was looking at some of the things that are going on right now at the General Assembly and there are just a couple of things....while they may not come to fruition, they are potential for ...they are going to directly affect our budget and there is no funding attached to them so I just wanted to find out what the possible implications are so I am doing some homework. Just so I know, right now, our social workers, what is a fulltime social workers' caseload number?

Mrs. Simpson stated – we don't have a cap.

Mrs. Ruggieri continued – right now, in the General Assembly, there is a bill they are looking at to increase every full time...every four hundred students needs to have a full time social worker. I would like to know what that would look like for us insofar as staffing costs and things like that.

Mrs. Ruggieri continued - The other thing that I saw was a requirement to provide musical performance education in the secondary schools and that would be specific to chorus and band so I know that we currently do have these programs in the high schools, I would be more concerned with looking at the middle schools to make sure we are covered for that and what the implications might be

for that as well.

Then, there are two things out there that might actually save us money if we chose to do them but again nothing to say these bills will pass as Ms. Iannazzi said to me they come up every year but you never know. One out there right now is for the removal of all bus monitors. I wouldn't recommend moving forward to say we would be removing all bus monitors but I would maybe propose that we look at each route at that time but just to know that is out there again.

The other bill that was sent to the judiciary last night was an increase of the bus radius. We would only have to provide services to a list of students that lived two miles, outside that two mile radius. We don't have to provide if they are within the two mile radius of a school. A while ago, when we looked at this, I had looked at increasing the radius by a quarter mile and there was potential large savings for that. Again, I don't know if it is going to happen and I don't know that I would say that we go the full two miles but I would certainly like to see what it would look like if maybe we extended that radius a little bit because it was a really large dollar amount.

Mr. Gale asked – in the presentation last Monday we talked about Workers Comp and increase in that line item by 15%. That seems like a large increase to me and I am just wondering why it is so high.

Mr. Balducci stated – myself and Mr. Votto, we meet with our rep from Beacon Mutual probably every couple of months and go over the claims activity and we look at the seriousness of some of the claims and the amount of what I call reserves that they have to establish and

again so just in conversations with that rep and looking at prior history. The way Beacon calculates our future rate is they look at the last two or three years and if we unfortunately have two out of the three years are bad years that would have a negative financial impact on our premiums going into the following year. As we start to drop the bad years and have better years, then the rate increase may not be as significant. For placement purposes, I put in 15%. We will have better idea in late spring what we are looking at going into next year. Any good news, I will share with the committee.

 

Mr. Traficante asked – Joe, do you think you can develop a formula to make our summer school self-sustaining. I know its minuscule on the dollars compared to what we are asking for but it should be self-sustaining. It shouldn't be costing us money to run summer school. This year it is only \$15,000 but it's still \$15,000.

Mr. Balducci stated – yes, when you look at the revenue side only I agree. We budget X but we took in approximately \$15,000 less but you have to remember, you have to look at the expenditure side as well, so from an operating standpoint, it actually showed a small surplus. Even though from a budget standpoint, revenue came in \$15,000 less but you look on the expense side, we actually spent, I'll say, \$18,000 less than budget so on a budget to budget comparison we took in less dollars we also spent less dollars. We try to make it revenue neutral so we decided to reduce it down to approximately \$58,000 but we also reduced the expenditures to the max of \$58,000.

Hopefully, in a perfect world we will take in \$58,000 and we will spend no more than \$58,000. That in fact happened this past summer.

Mr. Traficante asked – OPEB, you don't have to account for it in our operating budget? When will that kick in?

Mr. Balducci stated – The national reporting agency that all municipalities and school districts have to adhere to, they are talking two years out that we will have to start addressing the OPEB liability. Our consultants just did an actuary study and it looks like for the next two to three years we will be okay. It looks like the fourth year out we will have to start addressing it. There is some good news.

Ms. Iannazzi stated – this might not be the popular thing to say Joe but according to your memo that was an unfunded liability that was cut in half directly as a result of pension reform. Mr. Balducci replied – yes. Employees have to work longer so the gap between retirement and age 65 shrunk considerably.

Mr. Traficante continued – Joe, I noticed in the budget that we didn't put any money aside for “asset protection” for the lack of a better term, R&R; repair and renovation.

Mr. Balducci replied – we actually did. We level funded. We put in \$50,000 and that's what we put in this year but we did not increase it.

Mr. Traficante asked – could we do this; could we approach Mr. Zisseron. We still have \$1.3 million dollars in an R&R bond; why not utilize the bond money rather than dip into our operating money?

Why couldn't we come forward this year and say, look we need \$50,000 or \$100,000, whatever that number may be just to protect our backside regarding R&R. Think about that \$1.3 million bond requested from the city council.

Mr. Balducci stated – the \$1.3 that you are referring to is bond authorization so it allows the city the capacity of going out and borrowing that money but ...yes we can, from Mr. Zisseron's standpoint sometimes it's a timing issue. That doesn't happen as quickly as the school district needs the funds available so we have to budget dollars in the operating budget to accomplish some of the repairs.

Mr. Traficante continued – get it approved by the council and mayor, of course, but at least we would have that in reserve for the immediate future. Mr. Balducci replied, yes we can have that conversation.

Ms. Iannazzi stated – I just have a general comment. It is interesting to hold a budget hearing on a day like today when the commissioner is giving the state of education address before the General Assembly and in her remarks the commissioner spoke about the optimism that the state faces and all of the improvements the state has made in education and I agree, there have been improvements that have been made but on our level you can see we are on a day to day basis struggling with decisions that RIDE has made and how it is impacting local bodies throughout the state. We are losing revenue; there is increased demand; there are increased mandates; and it's meetings

like this where the general public unfortunately is not in attendance to see how the decisions RIDE make impacts local districts.

Mrs. Ruggieri asked – legal services – increase? I am going to assume that is due to the negotiations and I just wanted to make sure.

Mr. Balducci stated – anticipating negotiations with several of our unions I felt it prudent to budget more legal dollars.

Mrs. Ruggieri continued – page 18 in the detailed expenditures for Stadium School. There is a \$19,000 increase for oil heat.

Mr. Balducci stated – it is funny that you are bringing that to my attention. As I was waiting for the meeting to begin I also looked at that given that we are also budgeting for gas heat so I made a note to myself to check that in the morning so I will get you an answer to that.

Mrs. Ruggieri continued – page 22 – Garden City equipment – for \$9,000. Need more details as to what the equipment is. You went from a 0 to \$9,000. Mr. Balducci stated he would get that answer.

Mrs. Ruggieri continued – when I look at each of the middle schools and both high schools there are large increases for equipment, the same line item and am just wondering what that is for as well. Comes to about \$126,000 and I am just wondering what that is for. Page 40, 43, 46, 49, and 56. Mr. Balducci stated he would get that answer.

Mrs. Ruggieri continued – on page 66, there is kind of a flip flop line item for Horton where one year the gas and hot water is large and then the next year the oil heat is large. Is that one of the ones that switched over and is that what that is for? Mr. Balducci replied – it appears so but I will check and get an answer for you.

Mrs. Ruggieri continued – on page 73, \$55,000 increase for the AEP program director's salary. Mr. Balducci replied – currently we have a coordinator's position but we are looking to expand that to a full director's position so this is the cost differential to become a full time director.

Mrs. Ruggieri continued – then on page 79, educator evaluator increase another \$31,000. I'm just wondering is that the same? Mr. Balducci stated – currently we are taking advantage of grant dollars to help support that position but we are of the opinion that again those grant dollars will go away at the end of this year so we're taking 100% of the liability of the cost.

Mrs. Ruggieri continued – last year when we presented to the city council we had done what we called the uncontrollable expenses verses what we had some type of control over and I would like to see that breakdown again because I think it speaks volumes when we are trying to budget for the district that there are large dollar amounts attached to the uncontrollable expenses. Moving forward I would like

to see that separated out again.

Mrs. Ruggieri stated – now here is the fun kind of stuff. I want to add money into the budget and I will be looking for offset but for right now I just want to put it in there that I would like to see \$250,000 put in for full day kindergarten for the FY 2016 budget. That was the difference of what we were missing for the four classrooms verses the grant. We will hopefully be applying for the grant again when it comes out again next year. I would like to see an increase in the city reserve account for special education to be the full amount that was proposed by the audit and that should be the \$692,257.00.

Ms. Iannazzi stated – just for the public's understanding, this is a work session so there won't be any amendments proposed. I think Mrs. Ruggieri is just explaining to the public what her future amendments will be.

Mr. Traficante stated – Joe, do me a favor, breakdown purchased services for me. The \$12 million dollar bill in our budget. Those services that cannot be performed by our own staff and our own personnel. I would like to have a breakdown of what that \$12 million dollars consists of. I am sure most of it will be transportation.

Mr. Balducci replied - actually most of it is special ed tuitions. We purchase that service from an outside entity. Mr. Balducci confirmed he would put this information together for the committee.

Mr. Traficante continued – also, under debt service – we went from

\$53,000 to approximately \$1.3 million. Is that because of the bond money going out utilizing for the voc school? It is under summarize expenditures.

Mr. Balducci replied – if you look at debt service, my document is showing \$1.3 for 14 and approximately \$1.3 for 15. That is the loan repayment; RIDE UCOA classification; that is how they define it.

Ms. Iannazzi asked – I have a question for the superintendent, I see that the budget proposes the elimination of the PBGR coordinator and I just wanted to know if that work has been completed; and just a summary of where we are as a district.

The superintendent asked Mr. Rotz to respond because he had been working directly with the PBGR coordinator.

Mr. Rotz replied – we have been handling most of that work through the Curriculum Advisory Board which is made up of administrators and program supervisors so our PBGR coordinator has been out for a while and we have been able to handle that work. Our long term plan is that if we do need her expertise for consulting reasons, we will bring her in as needed for consulting.

Ms. Iannazzi replied – so perhaps this is an executive session issue but I don't want to kick the person while they are down...does she want to move on or is this a fiscal decision made by the district?

Dr. Lundsten stated- I think as Joe said, when we went into this we felt we needed a lot of support. We feel our capacity has grown, our potential has grown and we can handle internally and reallocate that money to other things that we need – for example – the AEP

Coordinator. I don't know if Jeannine has anything to add to this because she works with the secondary folks specifically about the efficiency based graduation requirements.

Ms. Nota-Masse stated – Dr. Lundsten is correct in that when the PBGR coordinator was initially hired it was because we did not have a solid PBGR program many years ago. With the coordination of people who have more secondary experience coming in and development of PBGR committees that have met on a regular basis, we have assumed a lot of the work that a PBGR coordinator would have done. In those years her position somewhat morphed into a curriculum person and that is why when Mr. Rotz talks about the curriculum piece now, the PBGR coordinator is somewhat of a misnomer because her job has evolved into doing more curriculum work and the administrators and myself, some of the program supervisors, have assumed the PBGR duties so while her title stayed the same, the actual work she did morphed. So, again with Mr. Rotz coming on board and his curriculum expertise and really working with the program supervisors we have assumed those duties that she had kind of shepherded over the past few years.

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Mrs. Culhane asked – Joe could you remind me again – every school has a budget for fire alarm? What is that again?

Mr. Balducci stated – again, it is the service contract associated with the fire extinguishers and the like by a private company. This contract is awarded through the bidding process.

Mrs. Culhane asked – on page 3; the city of Cranston reserve account – I’m trying to find it as an itemization in the budget. You had listed \$536,000 is that for the special education reserve fund?

Mr. Balducci replied – that’s the account the city has set aside to help the district pay for out of district special education tuitions.

Mrs. Culhane continued – I know Mrs. Ruggieri said it and I’ll be supporting it too and I don’t really care quite frankly if we find something to cut in the budget to equal it but I think we need to make that whole as Mrs. Ruggieri had asked. I think that the message, this year and every year going forward is that – that is something that we believe in, something we have needed. Obviously we have reflected it in what we had last year and that was in excess of what that reserve account is and I think we need to be demanding that our elected officials make a commitment to supporting that as well so I would ask that when we are making amendments one of us will made an amendment to that. And if Mrs. Ruggieri was giving her wish list, I have one wish list item and I will be making an amendment to be adding back transportation for music. I know there was a wish list from the music director for some other things but I think at this point we need to be committing to adding that back. I have worked Gillette and I know how backbreaking that is and I would much rather pay for transportation then to go to Gillette anymore. It would be nice to find something in there to cut but we can’t I think we can find \$20,000 to make that whole again. That is my wish list item.

Mr. Gale stated – I have also worked Gillette and I would also put that on my wish list.

Mr. Traficante stated – I am speaking to the eight people in the audience - if you eliminate all of the educators that are here. Please keep in mind that what the superintendent produces for a budget is a sound budget. It meets all our needs. If you look at her presentation, just on the personnel line items, that amounts to roughly \$4.1million. That is just personnel items such as healthcare, step increases, certified pensions etc. That basically wipes out the money we are going to receive from the state of Rhode Island, roughly \$3.6 million. Keep in mind; we need the \$500,000 for the buses. We certainly need the \$1.3 million to reduce our debt and there are a variety of other issues that we certainly need which cost money. We have asked the mayor for \$3 million dollars. If we don't get support from the general public when we make this presentation to the City Council we are going to be back here again in a few months making some severe cuts again. Keep in mind last year we asked for \$3 million and we received a half of a million dollars. That is all we received. It is critical that you talk to your PTO's, your neighbors, we need support. It's an election year people, you know darn well you are not going to see a tax increase therefore we have to make our presence known before the City Council.

There were no further comments from the School Committee

members.

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Future Meeting Dates – February 10 and February 13, 2014

Adjourn Work Session – A motion to adjourn was made by Mrs. Culhane; seconded by Mr. Traficante. All were in favor. The meeting adjourned at 7:50 p.m.

Respectfully submitted,

Paula B.M. McFarland

Clerk